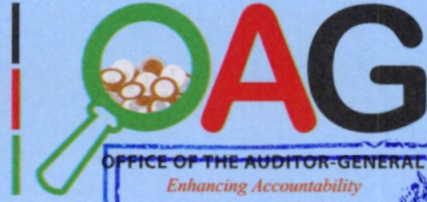


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL <i>Enhancing Accountability</i>	
THE NATIONAL ASSEMBLY PAPERS LAID	
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CLERK-AT THE TABLE:	V. WAMBUI

PARLIAMENT
OF KENYA
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REPORT

OF

THE AUDITOR-GENERAL

ON

**GILGIL TECHNICAL AND VOCATIONAL
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2025**



GILGIL TECHNICAL AND VOCATIONAL COLLEGE

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
30TH JUNE 2025**

**Prepared in accordance with the Accrual Basis of Accounting Method under the
International Public Sector Accounting Standards (IPSAS)**



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1. Acronyms & Glossary of Terms

a. Acronyms

BOG	Board of Governors
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
TTI	Technical Training Institute
TTC	Teacher Training College
TVC	Technical Vocational College

b. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

Gilgil Technical and Vocational College is a public institution located in Gilgil Constituency, Nakuru County, Kenya. It was established in 2019 as part of the Government of Kenya's initiative to expand access to Technical and Vocational Education and Training (TVET). The construction of the college was completed in April 2023, and student admissions commenced in May 2023. In its inaugural year, during the financial year 2022/2023, the college admitted 12 students. By the end of the financial year 2024/2025, student enrollment had grown significantly to 345 learners.

Up until 31st March, 2025, the college operated under the mentorship and management of Nairobi Technical Training Institute. However, from 1st April, 2025, the Government of Kenya, through the State Department for Technical and Vocational Education and Training, transitioned the full management of Gilgil Technical and Vocational College to an independent governance structure. This new governance framework provides administrative and academic oversight aimed at supporting the college's early growth and ensuring compliance with national standards.

Gilgil Technical and Vocational College does not have any branches or satellite campuses. The development of full academic departments and faculties is ongoing, aligned with its phased institutional growth plan.

(b) Principal Activities

Vision

To be outstanding Technical Vocational, research and innovation Training Centre relied upon by the industry

Mission

To provide all-inclusive Technical Vocational and Entrepreneurship training, research and innovation for sustainable development

Core Values

At the college, we stand by these values:

- Integrity
- Team work
- Commitment
- Excellence

(c) Key Management

The Institute's day-to-day management is under the following key organs:

- Board of Governors/Council/Management etc.
- Principal
- Deputy Principal-Academic affairs
- Registrar
- Dean of Students

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

Sno.	Designation	Name
1.	Principal	Dr. Stephen Ngugi Mbugua
2.	Deputy Principal Academic	Mr. George Osiemo Nyaberi
3.	Registrar	Sr. Fridah K. Miriti
4.	Dean of Students	Ms. Phyllis Wangeci Mureithi
5.	Head of Finance	Ms. Lucy Wanjiru
6.	Head of Procurement	Ms. Caroline Nyambura Wambua

(e) Fiduciary Oversight Arrangements

Finance & General Purposes Committee's Activities

The Committee shall exercise all the powers of Council in financial matters except in relation to the items which are reserved to BOG in these Standing Orders, on which the Committee shall advise BOG.

Terms of Reference.

The role of the Committee shall be to monitor the financial status of the Institute on behalf of BOG. In addition to advising BOG on those matters referred to above, the Committee's responsibilities shall include:

- a) To monitor and facilitate the implementation of the Institute's strategy with regard to financial matters.
- b) To receive reports from the Chief Principal and the Finance Officer.
- c) To monitor implementation of the strategy for the Institute.
- d) To receive reports of the extent and condition of the Institute estate including the efficiency of space utilization, the consumption of energy and the adequacy of property insurance arrangements.
- e) To consider the adequacy of the Institute estate and proposals for its maintenance and development, including opportunities to dispose of and acquire new properties.
- f) To determine the fees and charges made for Institute services and facilities.
- g) To supervise the financial administration of the Institute and make recommendations to BOG where appropriate.
- h) To supervise the arrangements for safeguarding the Institute's assets.
- i) To ensure the proper financial evaluation and control of projects.
- j) To supervise the arrangements for investing the Institute's funds, including monitoring the performance of investments.
- k) To ensure the appropriate exploitation of the Institute's intellectual property.
- l) To make recommendations to BOG on the financing of projects.
- m) To supervise the effective and efficient procurement and use of resources in accordance with the objectives of the Institute.

Key Entity Information and Management (Continued)

Audit Committee Activities

Some detailed audit committee responsibilities include:

- a) Ensuring that financial statements are understandable, transparent, and reliable.
- b) Ensuring the risk management process is comprehensive and on-going, rather than partial and periodic.
- c) Helping achieves an organization wide commitment to strong and effective internal controls, emanating from the tone at the top.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.
- e) Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the institution is a party.
- f) Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.
- g) Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.
- h) Reviewing internal audit plans, reports, and significant findings.
- i) Establishing a direct reporting relationship with the external auditors.

Academic Committee Activities

The committee activities include the following:

- a) Provide academic leadership to Gilgil Technical and Vocational College, through promotion of excellence in teaching and learning, and ensuring that Gilgil Technical and Vocational College embraces a philosophy of quality enhancement and innovation.
- b) Facilitate academic freedom and freedom of speech and ensure academic integrity within Gilgil Technical and Vocational College.
- c) Ensure a culture of scholarship is developed, nurtured and embedded within GTVC.
- d) Formulate, coordinate and review academic policy, procedures and guidelines within Gilgil Technical and Vocational College.
- e) Monitor and regularly report on compliance with academic policy within Gilgil Technical and Vocational College.
- f) Oversee the quality assurance of the academic activities of Gilgil Technical and Vocational College, within the Gilgil Technical and Vocational College Risk Management Framework.
- g) Partner with the Audit and Risk Management Committee to identify, assess and monitor academic risks within the Gilgil Technical and Vocational College Risk Management Framework.
- h) Consider and make decisions on all aspects of the development and accreditation or re-accreditation of higher education courses, the admission of students, teaching, assessment and requirements for graduation, prizes, awards and scholarships.
- i) Ensure that Gilgil Technical and Vocational College engages in regular benchmarking exercises with other higher education providers, and monitor the outcomes of such benchmarking exercises against targets in Gilgil Technical and Vocational College's plans.
- j) Refer certain matters to such standing committees or working groups as it may from time to time establish to advise on such matters.

- k) Receive reports from standing committees or working groups and ensure that their referred responsibilities are discharged.
- l) Consider and recommend on any matter referred to the it by the Board of Governors.
- m) In addition to such matters as are specifically referred to the Academic Board, the Academic Board may generate reports and recommendations to the Board of Directors, including recommending new courses for development.

Undertake regular self-reviews of performance, and oversee reviews of performance of the Teaching and Learning committees, and any other sub committees of Academic Board.

Senior Management Committee's Activities

The main purpose of the Senior Management Team is to:






- (a) Ensure that GTVC's BOG is able to take strategic decisions relating to GTVC's activities.
- (b) Provide leadership in communicating GTVC's mission, values, plans and achievements effectively and consistently to BOG Members, staff, Government, the voluntary and community sector, the general public and other stakeholders;
- (c) Be accountable for the development and implementation of GTVC's strategic, corporate and business plans in line with the mission and values.
- (d) Take a strategic overview of performance in all areas of GTVC's activities.





Specifically, the Senior Management Team:

- i. Makes recommendations to the BOG on the implementation and achievement of the BOG's Strategic Framework;
- ii. Agrees GTVC's Corporate Plan, and monitor delivery through appropriate key management and performance information reporting to the Board of Management as appropriate.
- iii. In the light of income projections and forecasts, considers the annual grants and operational expenditure and monitors such expenditure;
- iv. Develops, agrees, monitors and reviews strategies relevant to the effective and efficient operation of GTVC, making recommendations as appropriate to the Board of Management and/or its relevant Committees;
- v. Determines strategic issues arising from the introduction of new policies or process, including actively managing risk across the organization and regularly reviewing the corporate risk register;
- vi. Oversees and monitors GTVC's joint work with the other stakeholders
- vii. Considers the impact of external factors and developments, including specific political initiatives and the response to key consultation documents and where appropriate make recommendations to the BOG and/or its relevant Committees.
- viii. Leads all senior managers in motivating and developing GTVC staff to deliver the highest standards of performance and customer service.

- (f) **Entity Headquarters**
P.O. Box 12616-20100
Nakuru, Kenya
- (g) **Entity Contacts**
Telephone: (254)0700187569
E-mail: ppalgiltvc@gmail.com
Website: www.gilgiltvc.ac.ke
- (h) **Entity Bankers**
Kenya Commercial Bank
Ngara Branch
A/C NO. 1260304280
A/C Name: Gilgil Technical and Vocational College
- (i) **Independent Auditors**
Auditor-General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- j. **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. The Council/Board of governors

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
			Date of Birth	Qualification
1. Bony Saruni	Chairman		Date of Birth	01/11/1990
			Qualification	Bachelors of Science (Economics and Statistics)
			Experience	10 Years
2. Dr. Moriasi Gari	Member		Date of Birth	1963
			Qualification	PHD in Education Management administration and leadership
			Experience	40 Years
3. George Karanja Njenga	Member		Date of Birth	1961
			Qualification	Masters (public administration)
			Experience	20 years
4. Mary Wanjiru kabui	Member		Date of Birth	29/11/1995
			Qualification	BA Economics
			Experience	5 Years
5. CPA Osborn Getonto Nyamongo	Member		Date of Birth	01/01/1983
			Qualification	Dip in Accounting
			Experience	15 years

Governor	Title	Photograph	Date of birth, key qualifications and work experience	
6. CPA Nicodemus Toroitich	Member		Date of Birth	09/09/1982
			Qualification	B com Accounting
			Experience	12 Years
7. Olive Wanjiku Muchoki	Member		Date of Birth	28/10/1995
			Qualification	Bachelors in Law
			Experience	5 years
8. Dr. John N.Kariuki	Member		Date of Birth	1956
			Qualification	PHD. in Food and Nutrition
			Experience	30 Years
9. Dr. Stephen Ngugi Mbugua	Secretary		Date of Birth	23/12/1969
			Qualification	PhD in Curriculum studies
			Experience	30 Years

Board of Governors Sub-Committees

Name of the Committee	Members	Designation
Finance, Audit and Infrastructure Committee	CPA Nicodemus Toroitich Olive Wanjiku Muchoki Dr. John N. Kariuki CPA Osborn Getonto Nyamongo Dr. Stephen Ngugi Mbugua	Chairperson Member Member Member Secretary
Academic, Administration and Human Resource Committee	Dr Moriasi Gari Dr. Ngugi Mbugua Mary Wanjiku Kabui George Karanja Njenga	Chairperson Secretary Member Member

Functions of the Board of Governors

According to the TVET act 2013, the BOG shall have the following functions.

- i. Provide oversight and strategic leadership
- ii. Approve statutes
- iii. Approve policies for the institutes
- iv. Approve budgets
- v. Make new or additional regulations, amend or revoke existing regulations
- vi. Make appointments authorised by the law
- vii. Acquire land, buildings, premises, equipment, vehicles, machinery and facilities acquired for carrying out the work/duties of the institute.
- viii. Determine the method of recruitment, appointment and promotion of all staff of the institutes as per the law.
- ix. Provide welfare for every person as per the law
- x. Provide control and regulate finances
- xi. Enter into contracts, vary carry, out or terminate contracts on behalf of the institutes
- xii. Empower committee of the BOG appointed
- xiii. Transact from time to time any other business of the institute which is covered by the law.

4. Key Management Team

Manager	Title	Photograph	Qualification & Responsibility	
Dr. Stephen Ngugi Mbugua	Chief Principal		Date of Birth	23/12/1969
			Qualification	Phd in Curriculum studies
			Experience	30 Years
George Osiemo Nyaberi	Deputy Principal-Academic affairs		Date of Birth	21/07/1971
			Qualification	Masters (Education)
			Experience	29 years
Sr. Fridah K. Miriti	Registrar		Date of Birth	09/09/1979
			Qualification	B. Education
			Experience	15 Years
Phyllis Wangeci Muriithi	Dean of Students		Date of Birth	14/09/1992
			Qualification	Bachelor's Degree in Hotel and Hospitality Management
			Experience	5 Years
Lucy Wanjiru Mukundi	Finance Officer		Date of Birth	05/04/1994
			Qualification	BCom., CPA
			Experience	5years
Caroline Nyambura Wambua	Procurement officer		Date of Birth	23.08/1995
			Qualification	Dip In SCM
			Experience	4 Years

5. Chairman’s Statement

It is my pleasure to present the Annual Report and Financial Statements for Gilgil Technical and Vocational College for the financial year ended 30th June 2025.

On behalf of the Board of Management, I extend our sincere appreciation to the Government of Kenya and all stakeholders for their unwavering support in the operations and continued development of the college. We are especially grateful to the Ministry of Education for its steadfast financial assistance and for deploying qualified personnel, which has significantly enhanced the institution’s capacity to deliver on its mandate.

Gilgil Technical and Vocational College remains fully committed to its mission of delivering quality Competency-Based Education and Training (CBET) in line with the Government’s vision of equipping the youth with technical and entrepreneurial skills. These skills are vital in accelerating Kenya’s socio-economic transformation as outlined in Kenya Vision 2030. The Ministry’s endorsement and rollout of CBET continues to play a pivotal role in shaping a skilled, self-reliant workforce, and we gratefully acknowledge its contribution to the progress made in the TVET sector.

Since its inception, the college operated under the mentorship, management, and administrative guidance of Nairobi Technical Training Institute, up to 31st March 2025. However, from 1st April 2025, the Government of Kenya, through the State Department for Technical and Vocational Education and Training, transitioned full management of the college to an independent governance structure. This transition has enabled the college to establish its own administrative systems and policies, ensuring sound governance and operational effectiveness as it builds internal capacity toward long-term autonomy.

Gilgil Technical and Vocational College is a public institution, primarily funded through government capitation and development grants, supplemented by fees paid by students. As a non-profit-making entity, the college remains focused on its core mandate: providing accessible, industry-relevant training rather than pursuing revenue generation. Despite facing persistent financial and logistical challenges, we take great pride in the progress made during the year under review. Notably, the college successfully implemented strategic initiatives aimed at expanding existing infrastructure and improving the quality-of-service delivery.

Key Challenges Faced During the Year:

- Inadequate funding for both operational and development needs from the Ministry of Education
- Delayed disbursement of capitation and development grants
- Low and inconsistent student fee payments
- Limited marketing and outreach activities due to funding constraints
- Restricted institutional capacity, limiting the scale-up of student enrollment

In conclusion, on behalf of the Board of Management, I wish to sincerely thank the Government of Kenya, the Ministry of Education, parents, guardians, suppliers, service providers, and all other stakeholders for their continued trust, support, and cooperation throughout the financial year 2024/2025. We look forward to continued collaboration as we strive to strengthen the institution and fulfil our shared commitment to excellence in TVET education.


.....

Bony Saruni (Mr)
Chairman Board of Management
Date: 2nd December 2025

6. Report of the Chief/Senior Principal

I am pleased to present the Financial Statements of Gilgil Technical and Vocational College for the financial year ended 30th June 2025. These statements have been prepared in accordance with the Accrual Basis of Accounting, as prescribed under the International Public Sector Accounting Standards (IPSAS).

During the year under review, and since its inception, the college operated under the mentorship, management, and administrative oversight of Nairobi Technical Training Institute, up to 31st March 2025. This arrangement provided critical support in the formative stages of the institution's development. However, effective 1st April 2025, the Government of Kenya, through the State Department for Technical and Vocational Education and Training, transitioned the full management of the college to an independent governance structure. This transition marked a significant milestone in the institutional development of the college. It laid the foundation for increased autonomy in operations, financial management, and administration.

With the guidance and support of the Board of Governors, the college has since implemented key systems in financial management, procurement, and internal controls. These systems are aimed at ensuring the prudent use and accountability of all public resources entrusted to the institution. As a result, the college has made notable progress in building a robust financial management framework that adheres to public sector standards and best practices.

The financial performance for the year reflects steady growth, the institution recorded revenue from government recurrent grant and tuition fee that enabled the college to meet its core operational requirements. This growth has been driven primarily by the effective utilization of available funds. These resources have played a crucial role in enabling the delivery of quality services to students and other stakeholders. Nonetheless, the college continues to face funding gaps, particularly in the procurement of specialized training equipment. This equipment is an essential requirement for the full implementation of mainstream Technical and Vocational Education and Training (TVET) programs under the Competency-Based Education and Training (CBET) model.

As the college positions itself for sustainable long-term development, strategic efforts are currently underway to ensure the enrollment of students through the Kenya Universities and Colleges Central Placement Service (KUCCPS). In addition, the college is working to ensure that all eligible students benefit from the Higher Education Loans Board (HELB) subsidy.

In conclusion, I wish to express my sincere appreciation to the Board of Governors, the college management team, and all staff members for their unwavering support, professionalism, and dedication. Their collective efforts have greatly contributed to advancing the college's mission, vision, and strategic goals. I am confident that with continued commitment and collaboration, Gilgil Technical and Vocational College will grow into a leading institution within the TVET sector.



.....
Dr. Stephen Ngugi Mbugua
Principal/Secretary BOG
Date: 2nd December 2025

7. Statement of Performance against Predetermined Objectives

During the financial year 2024/2025, Gilgil Technical and Vocational College made notable progress toward achieving its strategic objectives, despite encountering various financial and operational challenges. One of the most significant milestones was the increase in student enrollment, which rose from 266 students in the previous financial year to 345 students by June 2025. This growth is a clear indication of increased public awareness, growing confidence in the institution, and the positive impact of early outreach and recruitment initiatives.

Under the mentorship of Nairobi Technical Training Institute, and following the transition to independent governance effective 1st April 2025, the college continued to uphold strong academic, administrative, and operational practices. This continuity ensured institutional stability throughout the transition period and facilitated the effective implementation of Competency-Based Education and Training (CBET) programs, in line with the national TVET policy framework.

In terms of infrastructure and resource development, the college made efficient use of the funds available to support the delivery of quality services. Although limited funding posed challenges, especially in the timely acquisition of specialized training equipment, the institution successfully laid the foundation for future expansion of instructional capacity. These initial efforts are expected to enhance the learning environment and support program diversification in subsequent phases of development.

At the institutional level, the college prioritized internal capacity building by establishing and operationalizing comprehensive financial, procurement, and internal control systems. These systems were designed to ensure compliance with regulatory requirements, enhance transparency, and promote accountability in the management of public resources. The collective efforts and dedication of the Board of Governors, the college management team, and staff were instrumental in achieving these results.

While several key objectives are still in progress, particularly those related to the full implementation of CBET-aligned TVET programs and the scaling up of student enrollment, the overall institutional performance for the year demonstrates strong alignment with the college's vision, mission, and long-term development goals. Gilgil Technical and Vocational College remains steadfast in its commitment to providing inclusive, high-quality technical and vocational education in support of Kenya's socio-economic development agenda.

8. Corporate Governance Statement

- a) Good corporate governance is the key to integrity and corporations and central to the institute stability
- b) Corporate governance therefore encompasses the system practices and procedures by which the individual corporation regulates itself to remain stable, competitive, sustainably and fair.
- c) The BOG follows principles of transparency and accountability in its stewarding institute's affairs'
- d) The role of the BOG is to ensure conformity by focusing and providing the institutes strategic direction and policy making as well as performance review through accountability, monitoring, supervision and internal control to safeguard the assets and ensure the reliability of financial information
- e) Management team comprising of the principal, deputy principal, head of departments and staff meet regularly to consider issues of operational and strategic importance.
- f) Below are key features of the existing governance practices within the institutes which are revised and improved from time to time

Institutes BOG

- a) The BOG constitutes of chairman BOG and eight members who have been appointed in accordance to the TVET Act 2013, which meets formally at least three times a year and or any other time when need arises
- b) The BOG is in the process of forming a board charter and a succession plan that will provide guidance on how the board conducts its business and continuity in leadership at both board and management levels.
- c) The appointment and removal are conducted in accordance with the governing laws and procedures provided by the State Department for Technical and Vocational Education and Training.
- d) The institution has a clear conflict of interest register where the board members are required to declare any personal or financial interest that may influence their decision making. Registers of interest are maintained and reviewed regularly to enhance transparency and accountability.
- e) Board remunerations and allowances are determined in line with the Ministry of Education circular dated 20th December 2024 REFNO: MOE/SDTVET/DTE/ADM/144
- f) Newly appointed Board Members undergo formal induction to familiarize them with the institutional mandate, governance structure and operational environment
- g) BOG Is responsible for setting the direction of the institute through establishment of strategic information, policies and approval of budgets. It monitors implementation of the above through structured approach of reporting by the management and accountability.
- h) The institution adheres to a strict code of ethics and conduct that guides the behaviour of Board members, management and staff. The code promotes integrity, professionalism, objectivity and accountability in all institutional operations.
- i) The BOG is actively involved and bring strong independent judgement on its deliberations and discussions

- j) The BOG members have diverse skill set, wide range of knowledge and experience of the institute in objectives and decision making.
- k) The BOG meets regularly and retains full and effective control over the institutes in all strategic financial operation and compliance areas

Related Party Disclosure

Related parties for the purposes of this report include:

- a) The Government
- b) The Board of Management
- c) The Management

Number of Board Meetings during the year and their attendance
 During the year under review, Board meetings were held as follows

Date	Type of Meeting	Number of Members Present
01/04/2025	Full Board	6
03/06/2025	Full Board	8
13/6/2025	Finance,Audit and Infrastructure Committee	4

9. Management Discussion and Analysis

Section A: Operational And Financial Performance

Gilgil Technical and Vocational College operational and financial performance

The college is a public Institution which relies on Government funds, and fees paid by students. It is not a profit-making College.

The college has not yet full attained autonomy in the management of its resources. It currently operates under the mentorship of the Nairobi Technical Training Institute.

Section B: Compliance with Statutory Requirements

Gilgil Technical and Vocational College compliance with statutory requirements

The Institute complies with remittance of statutory obligations such as: PAYE, NHIF, NSSF, NITA

Section C: Key Projects and Investment Decisions

Key projects and investment decisions Gilgil Technical and Vocational College is planning/implementing

Being a new institution, Gilgil TVC has not initiated any development project.

Section D: Financial and Management Risks

Major risks facing the entity

- Inadequate funding by the Ministry of Education- on capitation/operation and development grants;
- Delay in supply of training equipment and furniture by GoK;
- Untimely marketing due to late funding;
- Due to limited capacity, it is not possible to increase the number of students as expected;

Due to the above factors the institution is facing challenges in meeting its full operations obligations.

Section E: Material arrears in Statutory and Financial Obligations

Material arrears in statutory/financial obligations

There are no material arrears in statutory or Financial Obligations

Section F: Governance

The entity's financial probity and serious governance issues During the period under review, there were no governance issue reported.

Section G: Environmental Sustainability and Corporate Social Responsibility

The College conserves the environment

10. Environmental and Sustainability Reporting Statement

The Gilgil TVC, being a new institution with limited funding, has not embarked on major activities of corporate social responsibility. Meanwhile, the college has been participating on public activities organized by other public institutions which do not require financial commitment.

Sustainability strategy and profile

a. Organisational Sustainability

This strategy focuses on achieving financial, environmental organisational and institutional sustainability within the institute

b. Financial sustainability

The institute has diversified the sources of revenue which include; school fees, rentals and production unit program.

c. Environmental sustainability

The institute embraces the use of environmentally friendly methods in waste disposal. The strategies are targeted at protecting and improving the environment.

d. Organisational and institutional sustainability

Organisational and institutional sustainability aims at achieving and maintaining sustainability. This is addressed from various viewpoints that include community engagement, having in place a risk management framework and implementation of strategies to mitigate the defined risks.

Environmental performance

a. Greening TVET

- ✓ greening the institution
- ✓ greening the curriculum
- ✓ greening research

- ✓ greening the culture
- ✓ greening the community
- b. Solid Waste management
 - ✓ disposal of wastes
 - ✓ policies on re-cycling
- c. Emission control
 - ✓ control on gases emitted to the environment
- d. Adoption of Environmental sustainability guidelines issued by NEMA and adherence to environmentally friendly operational practices within the institute.

Employee welfare

The Institute with the support of the Board Members has developed the following

policies to guide its operations: -

- Scheme of service for BOG Staff.
- Career progression guidelines for BOG Staff.
- Motivation Policy for both Staff and Students.
- Production Unit Policy.
- ICT policy
- Gender Mainstreaming and Youth Empowerment Policy.

Market place practices

Responsible Competition Practice

- (i) Anti -corruption
 - a. Student fees: The institute charges the students fees as per the guidelines from the Ministry of Education. The fees charged is Ksh. 67,189 as capped by the Ministry of Education.
 - b. The admission process is transparent and the institute has introduced online admission to ensure effectiveness and transparency. This helps to ensure that there is integrity in the admission process.
- (ii) Political involvement
 - a. The institute liaises with the area leadership for community service where cleaning the area around the institute is done Participation in trade fairs/ robotics: The institute participates in trade fairs where the students show case their talents and this enhances responsible competition within the students.
 - b. During the graduation ceremonies, the institute invites the local leadership to interact with the grandaunts and the GTVC community.
- (iii) Fair competition
 - a. The institute acquires the curriculum and syllabus from Kenya Institute of curriculum development (KICD) and CDACC to ensure that what is offered at GTVC is similar to what is offered in other institutions.
 - b. Entry criteria for the program and the entry requirements for the students are clearly defined. i.e. Mean grade c- for Diploma students, D+ for Certificate students and KCSE for artisan. This allows the institute to have a fair competition with the universities who require students to have a mean grade of c to access university education.

- c. The institute participates in trade fairs which are organized by KATTI for all TVET Institutions. The students are encouraged to compete with other students from other institutions. This encourages the students to solve diverse issues in the industry.
- (iv) Respect for competitors
 - a. Mutual beneficial relationships:
The institute undertakes benchmarking with other institutions so as to offer quality service to the trainees and to assist one another to better improve.
 - b. The students are placed by KUCCPS and the institute ensures that when student seek for transfers from other institutions to GTVC, there is correspondence from the institution that the student wishes to leave so as to ensure that there is mutual understanding.

Responsible Marketing and Advertisement

- (i) Efforts to maintain ethical marketing practices
 - a. The institute openly advertises in the print and electronic media for all the courses offered in the institution so as to ensure transparency and integrity in the admission process.
 - c. The institution only advertises for the courses that are being offered during the intake to ensure that students do not apply for courses that are not available in the institute.
 - d. The institute ensures that information given during the advertisement is current and not misleading to the prospective students so that they are able to make informed choices on the courses that they want to undertake.
 - e. Brochures with well explained courses and their requirements are issued to prospective students before the intakes to give adequate time for the parents/ guardians and students to prepare for the admission.

Product Stewardship

- (I) Efforts to safeguard consumer rights and interests
 - a. The institute has a complaints procedure and complaints registers at various offices.
 - b. A complaints line has been established in the institute (0700187569)
 - c. There is proactive disclosure of information by ensuring that information is given through the institute's website, brochures, print and electronic advertisement
 - d. Requests by customers for information on admission and courses is done through e – mail, telephone call and letters. The institute has ensured an active e-mail address ppalgiltvc@gmail.com and the telephone line 0700187569.
 - e. There is a service charter that is prominently displayed at the institute's entrance and at various points and offices within the institute. Where the customers are encouraged to report to the CAJ and EACC in case their rights and interests are not met by the institution.

Community Engagements

The Institute has continuously engaged the community in matters of corporate social responsibility (CSR).

11. Report of the Council/Board of Governors

The Board members submit their report which show the state of the Institute's affairs.

Principal Activities

The principal activities of the institution are to train competent Human Resource for social economic development at TVET level.

Results

The results of the entity for the year ended 30 June, 2025 are set out on page 1

Board of Management

The members of the Board members who served during the year are shown on page vii. During the financial year 2024/2025 no director retired or resigned or new appointment

Auditors

The Auditor General is responsible for the statutory audit of Gilgil Technical and Vocational College in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Dr. Stephen Ngugi Mbugua
Principal/Secretary BOG
Date: 2nd December 2025

12. Statement of Board of Governors/ Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, and section 29 of schedule 2 of the Technical and Vocational Education and Training Act, 2013) require the Board members to prepare financial statements in respect of that Gilgil Technical and Vocational College, which give a true and fair view of the state of affairs of the institute at the end of the financial year/period and the operating results of the institute for that year. The Board members are also required to ensure that the institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the institute. The Board members are also responsible for safeguarding the assets of the institute.

The Board members are responsible for the preparation and presentation of the institute's financial statements, which give a true and fair view of the state of affairs of the institute for and as at the end of the financial year ended on 30th June 2025.

This responsibility includes:

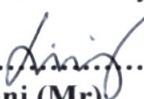
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the institute;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the institute;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.


The Board members accept responsibility for the institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act, and the TVET Act). The Board members are of the opinion that the institute's financial statements give a true and fair view of the state of institute's transactions during the financial year ended 30th June 2025, and of the institute's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the institute, which have been relied upon in the preparation of the institute's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board members to indicate that the institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The institute's financial statements were approved by the Board on **22nd August 2025** and signed on its behalf by:

.....

Bony Saruni (Mr)
Chairman of the Board
Date: 2nd December 2025

.....

Dr. Stephen Ngugi Mbugua
Principal/Secretary BOG
Date: 2nd December 2025

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GILGIL TECHNICAL AND VOCATIONAL COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the Government achieves value for money and that such funds are applied for the intended purpose; and.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Gilgil Technical and Vocational College set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all

the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Gilgil Technical and Vocational College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Technical and Vocational Education and Training Act, 2013 (Revised 2014) and the Public Finance Management Act, 2012

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of cashflows reflects total receipts amount of Kshs.24,712,170. However, the statement of comparison of budget and actual amounts reflects an amount of Kshs.11,609,972 resulting in an unexplained variance of Kshs.13,102,198.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Variance in the Revenue from Rendering of Services

The statement of financial performance reflects revenue from rendering of services amount of Kshs.22,213,033 as disclosed in Note 3 to the financial statements. Review of the supporting documents including students' enrolment and admission records revealed that the Collage had a total number of three hundred and eighteen (318) students during the year. However, review of the Ministry of Education (State Department for Technical Vocational Education and Training) Circular Number 5/2023 dated 1/9/2023 revealed that the approved fees structure was capped at Kshs.67,189 per student. Therefore, the expected revenue for the College was an amount of Kshs.21,366,102 resulting in an unexplained variance of Kshs.846,931.

Further, Note 3 to the financial statements includes administration fees amounting to Kshs.2,186,506. However, the administration fees was not included in the approved fee structure. Management did not provide an explanation for the anomaly observed.

In the circumstances, the accuracy and completeness of the revenue from rendering of services amount of Kshs.22,213,033 could not be confirmed.

3. Inaccuracy of the Employee Costs

The statement of financial performance reflects employees' cost of an amount of Kshs.2,511,950 as disclosed in Note 5 to the financial statements. However, review of the payroll provided for audit revealed that the College only reported expenditure on employee costs incurred between 1 July, 2024 to 30 May, 2025 leaving out the expenditure for the month of June, 2025.

In the circumstances, the accuracy and completeness of employee costs amounting to Kshs.2,511,950 could not be confirmed.

4. Unsupported Use of Goods and Services Expenditure

The statement of financial performance reflects use of goods and services of an amount of Kshs.17,258,846 which as disclosed in Note 4 to the financial statements includes an amount of Kshs.759,433 in respect of electricity, water and conservancy expenses. However, the amount was not supported with relevant documents including the Kenya Power and Lighting Company monthly electricity bills and acknowledgment of receipts statements.

In the circumstances, the accuracy, completeness and propriety use of goods and services expenditure amount of Kshs.759,433 could not be confirmed.

5. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.75,282,110 which as disclosed in Note 12 to the financial statements includes a balance of Kshs.1,090,500 in respect of assets additions during the year. However, the additions were not supported with individual assets movement ledgers and registers and the relevant procurement documents.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.75,282,110 could not be confirmed.

6. Unsupported Trade and Other Payables

The statement of financial position reflects trade payables balance of Kshs.2,668,580 as disclosed in Note 14 to the financial statements. However, the balance was not supported with documents including control ledgers, creditors' statements, invoices and the relevant procurement documents.

In the circumstances, the accuracy and completeness of the trade payables balance of Kshs.2,668,580 as at 30 June, 2025 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Gilgil Technical and Vocational College Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted total revenue and actual on comparable basis amounts of Kshs.30,180,205 and Kshs.11,609,972 respectively, resulting to under-funding of Kshs.18,570,233 or 62% of the budget. Further, the statement reflects that the College spent an amount of

Kshs.22,437,258 against actual receipts of Kshs.11,609,972 resulting over-expenditure of Kshs.10,827,286 or 93% of the actual receipts.

The under-funding affected the planned activities of the College and may have impacted negatively on service delivery to the public.

2. Imbalanced Budget

The statement of comparison of budget and actual amounts reflects budgeted total income amount of Kshs.30,180,205 against budgeted expenditure of Kshs.21,531,536 resulting to an unexplained and unreconciled variance of Kshs.8,648,669. This was contrary to the provisions of Regulation 31(c) of the Public Finance Management (County Governments) Regulations, 2015 which states that 'budget revenue and expenditure appropriation shall be balanced'.

In the circumstances, Management was in breach of the regulations.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the College for the financial year 2024/2025 revealed that the following fourteen (14) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023-2024	Inaccuracies in the Financial Statements
2	2023-2024	Unsupported Receipts
3	2023-2024	Non-disclosure of Admission Fees
4	2023-2024	Understatement of Transfers from National Government and Ministry
5	2023-2024	Unsupported Use of Goods and Services Expenditure
6	2023-2024	Inaccuracies of the Cash and Cash Equivalents Balance
7	2023-2024	Unsupported Inventories Balance
8	2023-2024	Unsupported Property, Plant and Equipment Balance
9	2023-2024	Late Submission of the Financial Statements

No.	Financial Year	Audit Issue
10	2023-2024	Engagement of Staff without Valid Contracts of Employment
11	2023-2024	Lack of Internal Audit Function and Audit Committee
12	2023-2024	Lack of an Approved Strategic Plan
13	2023-2024	Lack of an Approved Staff Establishment
14	2023-2024	Lack of a Risk Management and Fraud Policy

Other Information

The Management is responsible for the Other Information set out on page ii to xxi which comprise of Key Entity Information and Management, The Board of Governance, Key Management Team, Chairman's Statement, Report of the Chief Principal, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting Statement and Statement of Board of Governance Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with the Public Sector Accounting Standards Board (PSASB) Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

- i. The secretary to the Board has not been indicated as being a member of ICS (Institute of Certified Secretaries) as required under the Mwongozo Code of Governance.
- ii. The corporate governance statement omitted the details on existence of a Board Charter, process of appointment and removal of Board members, succession plans, conflict of interest, inductors of trainings, Board remunerations, ethics and conduct and governance audit.
- iii. Note 12 to the financial statements reflects depreciation amount of Kshs.1,507,752 for the year, which includes details of depreciation rates for various classes of assets of 2%,10%,30% and 10% in respect of buildings, furniture and fittings, computers, and plant and equipment respectively. However, the depreciation policy was not disclosed in paragraph (e) under summary of significant accounting policies of the financial statements.
- iv. Appendix 1 of the financial statements reflects implementation status of Auditor-General recommendations. The status of the issues raised in the previous year were indicated as resolved. However, Management has not provided any evidence of how they were resolved

In the circumstances, Management did not comply with the recommended financial reporting template as prescribed by the Public Sector Accounting Standards Board (PSASB).

2. Failure to Prepare and Submit Quarterly Financial Reports

Review of the financial records revealed that quarterly financial reports and their respective ledgers were not prepared and provided for audit review. This was contrary to Section 83 (1) and (3) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a National Government entity shall prepare a report for each quarter of the financial year in respect of the entity; and not later than fifteen (15) days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury.

In the circumstances, Management was in breach of the law.

3. Failure to Deduct and Remit Statutory Deductions

The statement of financial performance reflects employee costs amount of Kshs.2,511,950 as disclosed in Note 5 to the financial statement. However, review of the monthly payrolls revealed that the deductions in respects of National Social Security Fund (NSSF), Social Hospital Authority (SHA) and Housing levy contributions were not deducted and remitted as required by the law. This was contrary to Regulation 23 (2) (a) of the Public Finance Management (National Government) Regulations, 2015 which states that in addition to the responsibilities of Accounting Officers provided for in the Act, an Accounting Officer designated under the Constitution, the Act or any other Act, shall -

comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided for by legislation.

In the circumstances, Management was in breach of the law.

4. Non-Compliance with Law on Recruitment of Staff Living with Disabilities

Review of the payroll revealed that College had fifteen (15) employees on contractual basis out of whom none is a person living with disability. This was contrary to Section B.23 (1) of the Human Resource Policies and Procedures Manual for the Public Service, May, 2016 which states that persons with disability shall be accorded equal employment opportunities provided they have the necessary qualifications and are suitable for such employment. Further, sub-section 2 states that the Government shall implement the principle that at least five (5) percent of all appointments shall be for persons with disabilities.

In the circumstances, Management was in breach of the regulations and Government policy.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Function and Audit Committee

During the year under review, the College had not constituted an audit committee and an internal audit function as required by the law and regulations. This was contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and - has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. Further, Regulation 174 (1) of the Public Finance Management (National Government) Regulations, 2015 states that subject to

paragraph (2) of this regulation, each National Government entity shall establish an audit committee.

In the circumstances, the College did not benefit from the oversight functions of the internal audit department and the audit committee.

2. Lack of an Approved Strategic Plan

During the year under review, the College did not have an approved strategic plan. This was contrary to Section 29 (d) of the Technical and Vocational Education and Training Act, 2013 which states that the functions of the organs set out under section 28(1) shall include - developing and implementing the institutions' strategic plan.

In the circumstances, the College was not able to effectively measure the achievement of its strategic goals and objectives which may have affected service delivery to the public.

3. Lack of an Approved Staff Establishment

Review of records revealed that the College had fifteen (15) members of staff in the year under review. However, the College does not have in place an approved staff establishment. Therefore, without an approved staff establishment it was not possible to verify how various job groups were arrived at and what was the human capital gap if any.

In the circumstances, Management may not be in a position to identify whether the College is operating with the optimal number of staff to ensure effective service delivery to the public.

4. Lack of a Risk Management and Fraud Policy

During the year under review the College did not have in place a Fraud Management Policy to assist in detecting and preventing fraud during the year under review. Further, Management did not have a Risk Management Policy or Strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. In addition, it was observed that the College did not have recovery plan or business continuity plan which outlines how it will continue operating during an unplanned disruption in service. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure. Further, the Management did not perform formal risk assessments during the financial year under review.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

5. Failure to Maintain Imprest Register

The statement of financial performance reflects use of goods and services amount of Kshs.17,258,846 which includes amounts of Kshs.2,147,950 and Kshs.2,289,075 in respect of local travel and transport and administration expenses respectively as disclosed in Note 4 to the financial statements. Review of the supporting documents

including sampled payment vouchers revealed that imprests amounting to Kshs.3,336,492 were issued to various staff. However, the College did not maintain an imprest register as required. This was contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 requires that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for.

In the circumstances, the effectiveness of internal controls in relation to management of imprests could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 December, 2025

Gilgil Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025

14. Statement of Financial Performance for the Year Ended 30th June 2025

REVENUE	NOTE	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Transfer from County and Other Government Entities	1 (a)	-	2,830,000
Revenue from National Govt & ministry(Unconditional)	2	2,499,138	12,000,000
Revenue from rendering of services	3	22,213,033	15,317,576
Total Revenue		24,712,170	30,147,576
Expenses			
Use of Goods and services	4	17,258,846	3,679,652
Employee cost	5	2,511,950	2,335,500
BOG Expenses	6	1,210,942	-
Depreciation	7	1,507,752	1,475,237
Repair and Maintenance	8	365,020	223,620
Total Expenses		22,854,510	7,714,009
Surplus(Deficit)		1,857,660	22,433,567

.....
Bony Saruni (Mr)
Chairman of Council/Board

Date: 2nd December 2025

.....
Dr. Stephen Ngugi Mbugua
Principal/BOG Secretary

Date: 2nd December 2025

.....
Lucy Wanjiru Mukundi
Accountant

ICPAK no. 33883


Date: 2nd December 2025



Gilgil Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025


15. Statement of Financial Position as at 30th June 2025

ASSETS	NOTE	FY 2024/2025	FY 2023/2024
CURRENT ASSETS			
Cash and Cash Equivalent	9(a)	6,985,545	10,949,458
Receivables from Exchange Transactions	10(a)	22,716,129	13,624,377
Inventories	11	30,000	214,346
TOTAL CURRENT ASSETS		29,731,673	24,788,181
NON CURRENT ASSETS			
Plant, Property and Equipment	12(a)	75,282,110	75,699,362
TOTAL NON CURRENT ASSETS		75,282,110	75,699,362
TOTAL ASSETS		105,013,784	100,487,543
LIABILITIES			
CURRENT LIABILITIES			
Payables	14	2,668,580	-
Deferred Income	16	2,711,194	2,711,194
TOTAL CURRENT LIABILITIES		5,379,774	2,711,194
LONG TERM LIABILITIES			
Long Term Loan		-	-
TOTAL LONG TERM LIABILITIES		-	-
TOTAL LIABILITIES		5,379,774	2,711,194
RESERVES AND SURPLUS			
Accumulated Surplus(Deficit)	17	24,291,227	22,433,567
Capital and Equity	18	75,342,783	75,342,783
TOTAL CAPITAL RESERVES AND LIABILITIES		99,634,010	97,776,350
TOTAL RESERVES AND LIABILITIES		105,013,784	100,487,544



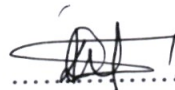
Bony Saruni (Mr)
Chairman of Council/Board

Date: 2nd December 2025



Dr. Stephen Ngugi Mbugua
Principal/BOG Secretary

Date: 2nd December 2025



Lucy Wanjiru Mukundi
Accountant
ICPAK no. 33883
Date: 2nd December 2025

16. Statement of Changes in Net Asset for The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated Surplus	Capital Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs
At July 1, 2023 (previous year)	-	-	-	-
Revaluation gain	-	-	75,342,783	75,342,783
Surplus/(deficit) for the year	-	22,433,567	-	22,433,567
Capital grants received during the year	-	-	-	-
At June 30, 2024	-	22,433,567	75,342,783	97,776,350
At July 1, 2024 (current year)	-	22,433,567	75,342,783	97,776,350
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	1,857,660	-	1,857,660
Capital grants received during the year	-	-	-	-
At June 30, 2025	-	24,291,227	75,342,783	99,634,010

Note:

Revaluation gain on land and buildings were realised using the estimated current value within the area and the quoted amount from the bid.



Bony Saruni (Mr)
Chairman of Council/Board

Date: 2nd December 2025



Dr. Stephen Ngugi Mbugua
Principal/BOG Secretary

Date: 2nd December 2025



Lucy Wanjiru Mukundi
Accountant

ICPAK no. 33883

Date: 2nd December 2025

Gilgil Technical and Vocational College
Annual Report and Financial Statements for the year ended 30th June 2025


17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024/2025 Kshs	FY 2023/2024 Kshs
Cash flows from operating activities			
Receipts			
Transfers from County and Other entities	1(a)	-	2,830,000
Transfers from National Government entities	2	2,499,138	12,000,000
Fees from students	3	22,213,033	15,317,576
Total Receipts		24,712,170	30,147,576
Payments			
Use of goods and services	4	17,258,846	3,679,652
Employee costs	5	2,511,950	2,335,500
Bog Expenses	6	1,210,942	
Repair and Maintenance	8	365,020	223,620
Total Payments		21,346,758	6,238,772
Net Cash Flows from operating activities		3,365,412	23,908,804
Adjusted for:			
Changes in Accounts Receivables	10(a)	(9,091,752)	(13,624,377)
Changes in Inventories	11	184,346	(214,346)
Changes in Accounts Payables	14	2,668,580	2,711,194
Net Cash Flows from operating activities		(2,873,414)	12,781,275
Cash flows from investing activities			
Purchase of property, plant, and equipment	12	(1,090,500)	(1,831,817)
Net cash flows used in investing activities		(1,090,500)	(1,831,817)
Cash flows from financing activities			
Proceeds From Borrowing		-	-
Repayment of Borrowings		-	-
Net cash flows used in financing activities		-	-
Net Increase/(Decrease) in Cash and Cash equivalents		(3,963,914)	10,949,458
Cash & Cash equivalents at the beginning (1 st July)		10,949,458	-
Cash & Cash equivalents at the end. (30th June)		6,985,545	10,949,458




Bony Saruni (Mr)
Chairman of Council/Board

Date: 2nd December 2025



Dr. Stephen Ngugi Mbugua
Principal/BOG Secretary

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Lucy Wanjiru Mukundi
Accountant
ICPAK no. 33883
Date: 2nd December 2025

18. Statement of Comparison of Budget Actual Amounts for Year Ended 30th June 2025

Description	Original budget	Adjustments	Final Budget	Actual on comparable	Performance difference	Utilization Difference
	A	B	C=A+B	D	E=C-D	F=E/C%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	%
Transfers from National Government entities	2,500,000	-	2,500,000	2,499,138	863	0.03
Fees from students	27,680,205	-	27,680,205	9,110,834	18,569,371	67.09
Total Income	30,180,205	-	30,180,205	11,609,972	18,570,234	61.53
Expenses						
Use of goods and services	15,200,125	-	15,200,125	17,258,846	(2,058,721)	(13.54)
Employee costs	3,306,821	-	3,306,821	2,511,950	794,871	24.04
BOG Expenses	1,211,000	-	1,211,000	1,210,942	58	0.00
Repair and Maintenance	713,590	-	713,590	365,020	348,570	48.85
Total Expenditure	20,431,536	-	20,431,536	21,346,758	(915,222)	(4.48)
Surplus For the Period	9,748,669	-	9,748,669	(9,736,787)	19,485,456	
Capital Expenditure						
Equipment	1,100,000	-	1,100,000	1,090,500	9,500	0.86

Budget Explanation

Item	Final Budget (Kshs)	Actual (Kshs)	Utilization Difference (%)	Explanation
Transfers from National Government Entities (Unconditional Grant)	2,500,000	2,499,138	0.03%	Almost Fully utilized. Budget matched actual. Variance is due to bank charges.
Fees from Students	27,680,205	9,110,834	67.09%	Significantly underperformed. Revenue shortfall of Kshs 18,569,371, likely due to uncollected fees.
Use of Goods and Services	15,200,125	17,258,846	13.54%	Overspending resulted from increased operational costs including training materials and inflation related prices adjustments
Employee Costs	3,306,821	2,511,950	23.36%	Underutilized. May indicate delayed recruitment, staff attrition, or fewer personnel than planned.
BOG Expenses	1,211,000	1,210,942	0.0%	Almost Fully utilized. Budget matched actual.
Repairs and Maintenance	713,590	365,020	48.85%	Underutilized. Some maintenance activities may have been postponed or deprioritized.
Equipment	1,100,000	1,090,500	0.00%	Almost fully utilized. Equipment was procured as planned, with minimal variance.

19. Notes to the Financial Statements

1. General Information

Gilgil Technical and Vocational College (GTVC) is under the Ministry of Education, State department of Technical and Vocational Training. In line with Technical and Vocational Education Training (TVET) Act of 2013 the institute has continually imparted its trainees with the necessary knowledge and skills for social economic development in business, science and technology.

The mandate of the institution is to train competent Human Resource for social economic development at TVET level. The institute's strategic obligations revolve around promoting Technical Training through access to quality training.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The values are rounded off to the nearest shilling. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the TVET Act, (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

(ii) Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30th June 2025.

There are no new standards in the year ended 30th June 2025

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1 st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. (Gilgil Technical and Vocational College has not dealt in Leases during the Year under review)
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	Applicable 1 st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. (Gilgil Technical and Vocational College has not dealt in Discontinued operations during the Year under review)
IPSAS 45: Property Plant and Equipment	Applicable 1 st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. (Gilgil Technical and Vocational College has not dealt in Heritage Assets during the Year under review)
IPSAS 46: Measurement	Applicable 1 st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.

Gilgil Technical and Vocational College
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	<p>The standard also introduces a public sector specific measurement bases called the current operational value. (Gilgil Technical and Vocational College has implemented IPSAS 46 during the Year under review)</p>
IPSAS 47: Revenue	<p>Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. (Gilgil Technical and Vocational College has reported revenue as per IPSAS 47)</p>
IPSAS 48: Transfer Expenses	<p>Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. (Gilgil Technical and Vocational College has not dealt in transfer expenses during the Year under review)</p>
IPSAS 49: Retirement Benefit Plans	<p>Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. (Gilgil Technical and Vocational College has not dealt in Retirement Benefits plan during the Year under review)</p>

iii. Early adoption of standards

Gilgil Technical and Vocational College did not early-adopt any new or amended standards in year 2025. The entity adopted IPSAS standard.

(iii) Summary of Significant Accounting Policies

- a) Revenue recognition**
- i) Revenue from non-exchange transactions**

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

- ii) Revenue from exchange transactions**

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on 21st June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2024/2025 budget following the Council/ Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on notes section of these financial statements.

c) Taxes

Current income tax

The entity is exempt from paying taxes as per Income tax Act.

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The depreciation rates are 2% for Buildings, 10% for furniture and fittings, 30% for computers and 10% for plant and equipment as guided in the Institutional Finance policy.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Financial assets

Classification

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

n) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

o) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

p) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

q) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the principal and senior managers.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

t) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

u) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2025.

Notes to the Financial Statements (Continued)

(iv) Significant Judgments and Sources of Estimation Uncertainty

The preparation of the GTVC's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Notes

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

The Institute maintains a provision of 5% on all student debtors as outlined in the Finance policy

Notes to the Financial Statements (Continued)

1. Transfers from County and Other Government entities

1. (a) Transfers from County and Other Government entities

Description	FY 2024/2025	FY 2023/2024
Unconditional Grants	Kshs	Kshs
Operational Grants	-	2,830,000
Total	-	2,830,000

b. Transfers from County Government (Categorized)

Name of the Entity Sending The Grant	Amount recognized to Statement of Financial performance *	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year 2024/2025	Comparative FY 2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Gilgil Ngcdf	-	-	-	-	2,600,000
TVETA	-	-	-	-	69,000
Nakuru County	-	-	-	-	161,000
Nakuru Women Rep	-	-	-	-	-
Nyandarua NGCDF	-	-	-	-	-
Limuru NGCDF	-	-	-	-	-
Naivasha NGCDF	-	-	-	-	-
Olkalou NGCDF	-	-	-	-	-
Nairobi TTI	-	-	-	-	-
Total	-	-	-	-	2,830,000

2. Transfers from National Government entities

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Transfer from Ministry/State Dept MoE (Unconditional)	2,499,138	12,000,000
Total	2,499,138	12,000,000

3. Fees from Students

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Activity Fees	490,215	448,042
Administration	2,186,506	4,260,305
Personal Emuloments	2,420,789	6,295,492
EWC	726,398	684,665
LTT	3,189,990	5,779,195
RMI	329,083	679,877
Tuition	12,870,053	-
Total Fees from students	22,213,033	18,147,576
Less: Transfers from County and Other Entities	-	(2,830,000)
Net Total Fees from students	22,213,033	15,317,576

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4. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Local, Travel and Transport Expenses	2,147,950	2,096,610
Electricity Water and Conservancy Expenses	759,433	198,600
Administration Expenses	2,289,075	1,384,442
Tuition Expenses	11,549,176	-
Activity Expenses	513,212	-
Total good and services	17,258,846	3,679,652

5. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	2,350,000	2,335,500
Casuals	161,950	-
Total	2,511,950	2,335,500

6. Board/Council Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman's Honoraria	15,000.00	0
Directors Emoluments	225,500.00	0
Other Allowances	560,000.00	0
Other Board/Council Expenses	410,442.00	0
Total	1,210,942.00	0

7. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, Plant and Equipment	1,507,752	1,475,237
Total	1,507,752	1,475,237

8. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Environment Maintenance Expenses	365,020	223,620
Total	365,020	223,620

9. Cash and Cash Equivalent

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account	6,985,545	10,949,458
Total	6,985,545	10,949,458

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9 (b). Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
Current Account		Kshs	Kshs
KCB	1260304280	6,985,545	10,949,458
Total		6,985,545	10,949,458

10. Receivables from Exchange transactions

10 (a) Current Receivables from Exchange transactions

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Student Debtors	22,716,129	13,624,377
Total	22,716,129	13,624,377

10(b) Ageing Analysis of Receivables from Exchange transactions

Description	FY 2023/2024		FY 2023/2024	
	Kshs	%	Kshs	%
Less than 1 year	13,102,199	58%	13,624,377	100%
Between 1- 2 years	9,613,930	42%	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (a+b)	22,716,129	100%	13,624,377	-

11. Inventories

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consumable Stores	30,000	214,346
Total	30,000	214,346

12. Property, Plant and Equipment

Cost	Land	Buildings	Furniture and Fittings	Computers	Plant and Equipment	Total
	-	2%	10%	30%	10%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2023	-	-	-	-	-	-
Additions	15,000,000	60,342,783	600,000	426,000	805,817	77,174,600
At 30th Jun 2024	15,000,000	60,342,783	600,000	426,000	805,817	77,174,600
Additions	-	-	-	-	1,090,500	1,090,500
At 30th Jun 2025	15,000,000	60,342,783	600,000	426,000	1,896,317	78,265,100
Depreciation						
At 30 th Jun 2024	-	1,206,856	60,000	127,800	80,582	1,475,237
At 30 th Jun 2025	-	1,182,719	54,000	89,460	181,574	1,507,752
At 30th Jun 2024	15,000,000	59,135,927	540,000	298,200	725,235	75,699,362
At 30th Jun 2025	15,000,000	57,953,209	486,000	208,740	1,634,162	75,282,110

12 (b) Property, Plant and Equipment at Cost

Description	Cost (Kshs)	Accumulated Depreciation (Kshs)	NBV (Kshs)
Land	15,000,000	-	15,000,000
Buildings	60,342,783	2,389,574	57,953,209
Plant And Machinery	1,896,317	262,156	1,634,162
Computers and Related Equipment	426,000	217,260	208,740
Office Equipment, Furniture, And Fittings	600,000	114,000	486,000
Total	78,265,100	2,982,990	75,282,110

13. Biological Assets

	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Cattle	-	-
Trees	-	-
Others (Specify)	-	-
Total	-	-

14. Trade and Other Payables from Exchange Transactions

Description	FY 2024/2025	FY 2023/2024		
	Kshs	Kshs		
Trade Payables	2,668,580.00	-		
Total Trade and Other Payables	2,668,580.00	-		
Ageing analysis:	FY 2023/2024	% of the Total	FY 2023/2024	% of the Total
	Kshs	Kshs	Kshs	
Under one year	2,668,580.00	100%	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total (to tie to totals above)	2,668,580.00	100%	-	-

15. Cash Generated from Operations.

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Surplus/(Deficit) for the year	1,857,660	22,433,567
Adjusted for:	-	-
Depreciation	1,507,752	1,475,237
Non-Cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and Losses on Disposal of Assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Finance Income	-	-
Finance Cost	-	-
Working Capital Adjustments	3,365,412	23,908,804
Increase in Inventory	184,346	(214,346)
Increase in Receivables	(9,091,752)	(13,624,377)
Increase in Deferred Income	-	2,711,194
Increase in Payables	2,668,580	-
Increase in Payments received in advance	-	-
Net Cash Flow from Operating Activities	(2,873,414)	12,781,275

16. Deferred Income

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Balance B/F	2,711,194	-
National Funding Bodies	-	2,711,194
Total	2,711,194	2,711,194

These are grant that were disbursed in the financial year 2023/2024 meant for construction of ablution block but were not spent during the financial year 2024/2025.

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The deferred income movement is as follows:

Description	County Government	National Funding/ Donors	Public Contributions and Donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	-	2,711,194	-	2,711,194
Additions During the Year	-	-	-	-
Transfers to Capital Fund	-	-	-	-
Transfers to Income Statement	-	-	-	-
Other Transfers	-	-	-	-
Balance Carried Forward	-	2,711,194	-	2,711,194

Analysed as:

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Liabilities	2,711,194	2,711,194
Total	2,711,194	2,711,194

17. Accumulated Surplus (Deficit)

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Balance b/f	22,433,567	-
Surplus/Deficit	1,857,660	22,433,567
Total	24,291,227	22,433,567

18. Capital and Equity

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Balance b/f	75,342,783	-
Additions During the Year	-	75,342,783
Total	75,342,783	75,342,783

19. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
At 30 th June 2024	Kshs	Kshs	Kshs	Kshs
Receivables from exchange transactions	13,624,377	13,624,377	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	10,949,458	10,949,458	-	-
Total	24,573,835	24,573,835	-	-
At 30 th June 2025				
Receivables from exchange transactions	22,716,129	22,716,129	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	6,985,545	6,985,545	-	-
Total	29,701,673	29,701,673	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has not significant concentration of credit risk.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the entity's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
At 30th June 2025	Kshs	Kshs	Kshs	Kshs
Trade Payables	-	-	2,668,580	2,668,580
Provisions	-	-	-	-
Deferred Income	-	-	2,711,194	2,711,194
Total	-	-	5,379,774	5,379,774

Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the entity's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Revaluation Reserve	-	-
Retained Earnings	24,291,227	22,433,567
Capital Reserve	75,342,783	75,342,783
Total Funds	99,634,010	97,776,350
Total Borrowings	5,379,774	2,711,194
Less: Cash and Bank Balances	(6,985,545)	(10,949,458)
Net Debt/ (Excess Cash and Cash Equivalents)	(1,605,771)	(8,238,264)
Gearing %	(1.61)	(8.43)

19.Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

20.Currency

The financial statements are presented in Kenya Shillings (Kshs) and the values are rounded off to the nearest shilling.

20. Appendices

Appendix 1: Implementation Status of Auditor-General Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Inaccuracies in the financial statements	The management noted that some figures presented in the financial statements were not adequately supported by appropriate documentation or records. In response, the management committed to taking corrective measures to ensure that all figures reported in the financial statements are properly supported and fully disclosed in accordance with applicable accounting standards and regulatory requirements. Furthermore, the management agreed to strengthen internal controls by ensuring that regular stocktaking exercises are conducted. They also resolved to maintain accurate and up-to-date inventory records and fixed asset registers. These actions are intended to enhance accountability, transparency, and the reliability of financial reporting within the institution.	Resolved	Immediately
	Underfunding and under absorption in budgetary control and performance	The management noted instances of underfunding and under absorption in budgetary control and overall financial performance. In response, they agreed to take appropriate measures to ensure full adherence to the approved budget estimates in every financial year. This will involve strengthening budget implementation, monitoring expenditure against allocations, and enhancing accountability to improve overall financial performance and service delivery.	Resolved	Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Late submission of the financial statements	The management noted that there was a delay in the submission of the financial statements. They acknowledged the importance of timely reporting and agreed to put measures in place to ensure that financial statements are prepared and submitted before the stipulated deadlines in future reporting periods.	Resolved	Immediately
	Engagement of staff without valid contracts of employment	The management noted that staff members were engaged without valid contracts of employment. They have committed to processing and formalizing valid contracts for all staff to ensure compliance with employment regulations and to promote transparency and accountability.	Resolved	Immediately
	Lack of internal audit function and audit committee	The management noted the absence of an internal audit function and an audit committee within the institution. The members agreed to establish both the internal audit function and the audit committee in accordance with the required governance standards to enhance oversight, risk management, and internal controls.	Resolved	Immediately
	Lack of an approved strategic plan	The management noted the absence of an approved strategic plan for the institution. The members acknowledged the importance of having a comprehensive and approved strategic plan to guide the college's development and operations. They agreed to prioritize the development and formal approval of the strategic plan to ensure alignment with the institution's mission, vision, and long-term goals.	Resolved	Immediately

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Lack of an approved staff establishment	The management noted the absence of an approved staff establishment for the institution. The members recognized the importance of having a formally approved staff establishment to ensure proper workforce planning and effective human resource management. They agreed to prioritize the development and approval of the staff establishment to support organizational efficiency and compliance with regulatory requirements.	Resolved	Within 3 months
	Lack of a risk management and fraud policy	The management noted the absence of a risk management and fraud prevention policy within the institution. The members agreed to formulate and implement all necessary policies, including a comprehensive risk management policy and a fraud prevention policy, to strengthen governance, safeguard institutional assets, and promote ethical conduct.	Resolved	Within 3 months



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Dr. Stephen Ngugi Mbugua
Principal/Secretary BOG
Gilgil Technical and Vocational College
Date: 2nd December 2025

PRINCIPAL
GILGIL TECHNICAL AND
VOCATIONAL COLLEGE
 P. O. Box 12616 · 20100, NAKURU

Appendix II: Projects Implemented by Gilgil Technical and Vocational College

Projects

Projects implemented by the Funded by development partners.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Note: No project has been funded by development partners.

Status of Project Completion

No status of the project to summarize


Sno.	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							


Appendix III- Inter-Entity Confirmation Letter

Transfers from other Government Entities

Sno	Transferring Entity	Beneficiary Entity	Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C) = A + B	Remarks
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1	State Department for Technical Vocational Education and Training	Gilgil TVC	735	15/7/2024	499,828	-	499,828	Received
2	State Department for Technical Vocational Education and Training	Gilgil TVC	1139	02/10/2024	499,828	-	499,828	Received
3	State Department for Technical Vocational Education and Training	Gilgil TVC	1140	21/05/2025	499,828	-	499,828	Received
4	State Department for Technical Vocational Education and Training	Gilgil TVC	1273	04/06/2025	499,828	-	499,828	Received
5	State Department for Technical Vocational Education and Training	Gilgil TVC	1274	17/06/2025	499,828	-	499,828	Received
	Total		-	-	2,499,138	-	2,499,138	

I confirm that the amounts shown above are correct as of the date indicated.

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Lucy Wanjiru Mukundi
Head of Accounts Department
Date: 2nd December 2025

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Dr. Stephen Ngugi Mbugua
Principal/Secretary BOG
Date: 2nd December 2025